The Sentinel

A GOOD PAPER IN A GOOD TOWN

H. A. YOUNG and M. D. GRIMES
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IT MELTS "FROZEN ASSETS"

That is an illuminating cartoon in this week's Saturday Evening Post, which should explain to all those who cavil at President Hoover that his relief measures only help the banks, railroads and big business.

We hear a great deal about "frozen assets" whenever a bank fails, and our Coos county warrants, held now in banks, come under that head.

In the cartoon the Refinance Corporation is pictured as a farmer, pouring into the frozen pump the millions which congress has appropriated for relief of the present financial situation. The banker is pictured as a small boy who operates the pump handle as the hot millions begin to melt the frozen assets. In other words, the banker is able to borrow from the Refinance Corporation, putting up as security the paper on which he cannot now realize. The government or Refinance Corporation holds that paper until it is due or paid, and the banker has the cash, on which he pays an interest charge, to loan to his customers, which in the cartoon are represented as farm stock—the farmer, the manufacturer the home owner, the railroad, etc.—which are getting their fill of the life-giving flood which has been released by the thawed-out pump.

The banker does not receive Refinance Corporation funds free, with the accompanying opportunity to loan at the legal rate. He puts up more of his "frozen" collateral than he receives in cash, and he pays interest on it, although not as high as the legal rate which he charges his customers.

All this bunk about the government helping only big business and the little fellow being left out in the cold, as so many agitators and demagogues try to make it appear, is without foundation when one gets a line on the true benefits to result from the operations of the Refinance Corporation.

A reputation for meeting financial obligations establishes the individual's credit. Naturally a man or business without credit has seen no results. But such a one could not borrow when times were normal.

HOW DEFLATION BEGAN

Here is a story by a middle western small town banker which not only will revive the memory of a historic fact, but will give a clear explanation of a situation about which there has been much confused thinking. This banker says:

"For about two years prior to February, 1920, I received weekly circular letters from my district Federal Reserve Bank urging me to increase my loans, insisting that I get more money in circulation. Under these directions I loaned every farmer and business man in my community all the money they wanted and sometimes more than they needed. The rediscount rate was only three per cent and the Federal Reserve took all the paper I sent in on that basis and they never questioned a single item.

"Early in 1920, out of a clear sky and without any advance notice, I received instructions from the district Federal Reserve authorities to decrease my loans. The paper they had been renewing for me was turned down. The rediscount rate was more than doubled and I was forced to call all my loans.

"The result of this action was disastrous and the community I served was thrown into bankruptcy from which it is only now beginning to recover."

What has happened in the case of the community served by this small bank happened all over the farming country. The result was that corn which had been selling in July, 1920, at $1.53 a bushel had dropped to 78c by October, and five months later to 55c. Wheat which sold in July at $2.80 per bushel had dropped six months later to $1.38. The July price for hogs was $15.88 per hundred, and six months later prices had fallen to $9.66. Similar decreases occurred in all farm commodity prices.

This was the sort of "farm relief" put into effect in 1920. The Federal Reserve Board was unanimously Democratic and the policy of deflation, which was the beginning of all the trouble agriculture has suffered from 1920 down to date, was a Democratic policy. It was entered upon deliberately on the score that "the cost of living" was too high and must be reduced.

The complete demoralization of agriculture which followed the adoption of this policy frightened the Democrats so that no further deflation was attempted in other lines of industry. That is one of the reasons that all manufactured articles remained at war time prices, placing the farmer at the double disadvantage, not only of being obliged to sell his crops at deflated prices but of having to buy manufactured products and other commodities at war time prices.

That is the bald truth and it ought not to be forgotten.

State Capitol News Letter

By A. L. Lindbeck

The need for spreading school costs in Oregon over larger units in order to equalize the tax burden as well as the educational opportunity, formed the central theme in discussion before county school superintendents at their annual conference here last week.

The legislative commitee of the association in its report recommended "that some plan for county unit in taxation be devised without waiting for the county unit in administration."

Charles V. Galloway, chairman of the state tax commission, in an address before the educators, pointed out the gross inequalities in taxes imposed for the support of the common schools under the present district system and proposed that some form of a modified county unit system of schools be adopted for the relief of taxpayers and that a state-wide equalization fund be established for support of the grade and high schools.

The attitude of the county superintendents toward the problem of school financing was summed up in a resolution adopted at the closing session in which they "endorsed the merger of small school districts into larger units as an essential means of promoting school efficiency, providing stability of administration and equality of financial support for our schools.'

The action of the Oregon Tax Reduction and Conservation League in appointing a special committee to make a study of school district consolidation was endorsed by the superintendents who declared that "the precarious conditions of the times makes it imperative that this movement go forward as rapidly as possible."

Waters of Oregon streams are utilized in the operation of 81 power plants of 100 horsepower capacity or more, according to Chas. E. Stricklin, state engineer. Forty-eight of these plants are public utility and municipal plants with an aggregate capacity of 296,000 horsepower. California leads Oregon with 165 plants, while Washington has only 70.

Extension of the moratorium on automobile license plates to August 1 and Governor Meier's stand against a special session of the legislature to deal with the license problem has served to quiet talk of a special session for the time being but there are many here who still believe that it will be necessary to convene the lawmakers before the problem is definitely settled. These point to the fact that only one out of every three cars in Oregon is now equipped with new license plates and argue that when the present moratorium expires hundreds of cars will be put away in their garages at least for the duration of the winter with the state highway fund the loser both in revenues from licenses and gasoline taxes. Prominent among those who are advocating a special session of the legislature are Joe E. Dunne, Frank C. Andrews and J. E. Bennett, all of Portland. Dunne is a member of the state senate and chairman of the roads and highways committee of that body. Andrews is chairman of the House committee on roads and highways and Bennett is a member of the senate and author of the bill which changed the fiscal year from January 1 to July 1. All three have been in Salem during the past week to confer with the governor on the matter of a special session and all are emphatic in their declarations that only a material reduction in license fees will satisfy the motorists of Oregon at this time.

Continued increase in medical aid costs in the face of a decided decrease in the number of accident cases is causing gray hairs to grow on the heads of Oregon's three Industrial Accident commissioners. Three years ago with 41,995 injury claims passing through the department medical aid costs totalled $717,410.38. For 1930-31 with the number of claims down to 32,951 the amount paid out for medical aid had grown to $759,051.68. In the past 15 years medical aid costs for injured workmen under the state compensation act have grown from a low of $10.51 in 1917-18 to a high of $23.68 per claim in 1931-32.

State supervision over production and distribution of grade "A" milk will be proposed to the next legislature by a committee of dairymen now working on this problem, according to J. D. Mickle, head of the division of foods and dairies of the state department of agriculture. Higher sanitary standards for all bottling establishments will also be proposed by this committee.

Out of 229 agricultural students graduating from Oregon high schools last year 167 are now engaged in some type of farming while 11 others are pursuing their study of agriculture in college, according to Earl R. Cooley, state director of vocational agriculture. Only 51 of the 229 graduates have deserted their high school training to follow some other line of endeavor, Cooley points out.

Hogs Have Started Up

The rise in hog prices amounting to $2 from late in May to early in July has been front-page news throughout the country. Examination of figures for past years reveals that a rise of that amount is not far out of line for the season, as the four-year average rise for this period in 1925-28 inclusive was $1.95. The rise this year was far greater in proportion to price, however, as hogs had reached a low mark in Portland of $4 in May for top quality light butchers, so that the $2 advance represented a 50 per cent increase in prices.

Whole State Should Oppose

Educational and tax authorities alike are fast lining up as oponents of the proposed measure to move the University of Oregon to Corvallis and to effect other changes in the educational system of the state.

Those interested in the tax side of the question brand the measure as unsound and condemn the claims of the proponents that the measure would save nearly $1,00,000 in tax money annually. Rather it would necessitate the expenditure of large sums to make the necessary readjustments, they say, and to maintain the larger and unwieldy unit.

Educational authorities, looking at the problem from the angle of educational efficiency and prestige for the state, maintain that the larger school proposed by the measure would mean a distinct backward step in educational progress of the state, effecting a much wider breach between student and instructor and seriously hampering the possibility of many of Oregon's most worthy students from attaining a university education.

Mining Location notices for sale at this office.

NOTICE OF MARSHAL'S SALE OF PROPERTY FOR DELINQUENT SEWER AND STREET ASSESSMENTS

NOTICE IS HEREBY GIVEN that by virtue of a warrant issued by the City Recorder of the City of Coquille, Coos County, Oregon, on the 6th day of July, 1932, commanding me to sell the premises herein described for the purpose of collecting street assessments against said premises for the improvement of streets included within the First Street Pavement, Series R-1 and Second and Other Streets, Series Y-1, together with interest, costs of advertising and sale, I will on the 8th day of August, 1932, at ten o'clock in the forenoon of said day at the front door of the City Hall in the City of Coquille, Coos County, Oregon, offer for sale the respective tracts of land herein described for the amount of the assessments hereinafter stated, together with interest, advertising and costs of sale, to the highest and best bidder for cash in hand and sell the right, title and interest of the lawful owners of said premises at the dates and times of said assessments, together with all the right, title and interest of any subsequent holders or claimants. Said premises appearing to be owned by G. Earl Low and Ethel M. Low and described as follows, to-wit:

Lot 7 in Block 68 of Notley's Addition to the City of Coquille, Coos County, Oregon.

Balance due on assessments $435.73 with interest thereon at the rate of six per cent per annum from the 1st day of March, 1930.

Lot 8 in Block 68 of Notley's Addition to the City of Coquille, Coos County, Oregon.

Balance due on assessments $171.57 with interest thereon at the rate of six per cent per annum from the 1st day of March, 1930.

Except that the City of Coquille, Coos County, Oregon, reserves the right to bid in either or any of said tracts for the amount of said assessments, interest and costs of sale, said sale will be made subject to redemption within threc years from the date of sale upon payment of the amount due as provided by law, with interest, penalty and costs.

Dated this 8th day of July, 1932.

Wm. Howell,
City Marshal
By Lewis English,
26t5 Deputy.

NOTICE OF MARSHAL'S SALE OF PROPERTY FOR DELINQUENT SEWER AND STREET ASSESSMENTS

NOTICE IS HEREBY GIVEN that by virtue of a warrant issued by the City Recorder of the City of Coquille, Coos County, Oregon, on the 6th day of July, 1932, commanding me to sell the premises herein described for the purpose of collecting street and sewer assessments against said premises for the improvement of streets included within the Tenth Street Pavement, Series Z-1, together with interest, costs of advertising and sale, I will on the 8th day of August, 1932, at ten o'clock in the forenoon of said day at the front door of the City Hall in the City of Coquille, Coos County, Oregon, offer for sale the respective tracts of land herein described for the amount of the assesments hereinafter stated, together with interest, advertising and costs of sale, to the highest and best bidder for cash in hand and sell all the right, title and interest of the lawful owners of said premises at the dates and times of said assessments, together with all the right, title and interest of any subsequent holders or claimants. Said premises appearing to be owned by U. F. and Daisy K. Snow and described as follows to-wit:

Lot 1 Block 1 of Snow's Addition to the City of Coquille, Coos County, Oregon.

Total amount of assessment, $225.00, with interest thereon at the rate of six per cent per annum from the 20th day of February, 1929.

Lot 2 in Block 1 of Snow's Addition to the City of Coquille, Coos County, Oregon.

Balance due on assessment, $225.00, with interest thereon at the rate of six per cent per annum from the 20th day of February, 1929.

Lot 5 in Block 1 of Snow's Addition to the City of Coquille, Coos County, Oregon.

Balance due on assessment, $270.00, with interest thereon at the rate of six per cent per annum from the 20th day of February, 1929.

Lot 6 in Block 1 of Snow's Addition to the City of Coquille, Coos County, Oregon.

Balance due on assessment, $112.50, with interest thereon at the rate of six per cent per annum from the 20th day of February, 1929.

Lot 7 in Block 1 of Snow's Addition to the City of Coquille, Coos County, Oregon.

Balance due on assesement $112.50, with interest thereon at the rate of six per cent per annum from the 20th day of February, 1929.

Except that the City of Coquille, Coos County, Oregon, reserves the right to bid in either or any of said tracts for the amount of said assessments, interest and costs of sale, said sale will be made subject to redemption within three years from the date of sale upon payment of the amount due as provided by law, with interest, penalty and costs.

Dated this 8th day of July, 1932.

Wm. Howell,
City Marshal.
By Lewis English,
26t5 Deputy.